
Introduced by Senator Oropeza

June 2, 2009

Senate Joint Resolution No. 13—Relative to new dialysis clinic licensure and certification.

LEGISLATIVE COUNSEL'S DIGEST

SJR 13, as introduced, Oropeza. New dialysis clinic licensure and certification.

This measure would urge the Centers for Medicare and Medicaid Services to adopt regulations, and the Congress and the President of the United States to enact legislation, to improve the system and speed up the process for timely licensure and certification surveys of new dialysis clinics.

Fiscal committee: no.

- 1 WHEREAS, There is a critical need for more end stage renal
2 disease (ESRD) dialysis clinics to serve the existing and growing
3 population of dialysis patients in California; and
4 WHEREAS, It is critical to continue to expand the number of
5 dialysis clinics in California to keep pace with the growing
6 population of dialysis patients, driven by the growth in
7 hypertension and diabetes, which are the two primary diagnoses
8 leading to chronic kidney disease (CKD) and kidney failure; and
9 WHEREAS, A new dialysis clinic must have a state licensure
10 survey and a separate Centers for Medicare and Medicaid Services
11 (CMS) certification survey before the clinic may be reimbursed
12 for treating Medicare patients; and
13 WHEREAS, New dialysis clinics must wait months, and more
14 than a year in some instances, for state surveyors to perform the

1 licensure and certification surveys needed in order for these
2 facilities to open their doors to Medicare patients; and

3 WHEREAS, The current state of the licensure and certification
4 process reduces the incentive for dialysis providers to consider
5 California locations for new dialysis clinics and increases the
6 potential for future access problems for California patients; and

7 WHEREAS, Many patients must travel beyond conveniently
8 located new dialysis clinics for months because the new clinics
9 lack licensure and certification surveys, even though the new clinics
10 are fully outfitted, staffed, and ready to serve patients; and

11 WHEREAS, In areas where all dialysis clinics are at maximum
12 capacity, some Medicaid and Medicare patients must be kept in
13 acute care hospitals, at much greater cost, while they wait for
14 availability at a dialysis clinic so that they may transfer to a
15 long-term care facility and obtain outpatient dialysis care at the
16 clinic; and

17 WHEREAS, CMS requires state surveyors in the Licensing and
18 Certification Division of the State Department of Public Health to
19 perform surveys pursuant to a four tier survey process. New
20 dialysis clinic surveys are placed in Tier III; and

21 WHEREAS, CMS requires the department to complete all
22 functions categorized as Tier I or Tier II prior to completing
23 functions in Tier III, but provides insufficient funding for the
24 completion of the Tier I and Tier II functions; and

25 WHEREAS, CMS should either separate new dialysis clinic
26 surveys from other functions in the four tier process, move new
27 dialysis clinic surveys into Tier I or Tier II, or provide adequate
28 funding to ensure the completion of Tier I, II, and III functions on
29 a timely basis; and

30 WHEREAS, The new CMS requirement for a “justification
31 letter” for new dialysis clinics further slows the process and should
32 be eliminated; and

33 WHEREAS, CMS should permit the department surveyors to
34 better utilize their resources by allowing state licensure surveys
35 to be completed simultaneously with CMS certification surveys;
36 now, therefore, be it

37 *Resolved by the Senate and the Assembly of the State of*
38 *California, jointly,* That the Legislature of the State of California
39 strongly urges CMS to adopt regulations, and the Congress and
40 the President of the United States to enact legislation, to improve

1 the system and speed up the process for timely licensure and
2 certification surveys of new dialysis clinics to provide patients
3 with access to these services as soon as possible and to eliminate
4 the chilling impact on new clinic construction in California; and
5 be it further

6 *Resolved*, That the Secretary of the Senate transmit copies of
7 this resolution to the President and Vice President of the United
8 States, the Speaker of the House of Representatives, the Majority
9 Leader of the United States Senate, each Senator and
10 Representative from California in the Congress of the United
11 States, the Administrator for the Centers for Medicare and
12 Medicaid Services, and to the author for appropriate distribution.

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